

# **GENERAL COUNSEL'S REPORT**

**June 24, 2015**

**E. Macon County General Hospital, Lafayette (Macon County), TN – CN9904-030A**

On 7/28/99, the Health Facilities Commission (predecessor to the Agency) unanimously approved the initiation of mobile MRI services 1 day per week, with an estimated project cost of \$1,003,000.

In 1999, Macon County General Hospital estimated 150 MRI scans in the 1st full year of operation, and 182 in year 2. Macon County General Hospital states that the 2013 patient count was 401, with an exam count of 480, and that the 2014 patient count was 452, with an exam count of 541. In the first 1/3+ of 2015, the patient count was 164, with an exam count of 200.

Macon County General Hospital seeks the removal of the limitation of 1 day per week.



MACON COUNTY GENERAL HOSPITAL  
P. O. BOX 378  
LAFAYETTE, TENNESSEE 37083

PHONE 615-666-2147

May 28, 2015

Melanie Hill

Executive Director of Health Services and Development

Ms. Hill

It has come to our attention that our Certificate of Need for MRI needs to be revised. The original certificate is dated August 25, 1999. Since this time our demand for this service has increased along with the number of days we provide this service. We strive to provide the best service possible to our patients and our ordering physicians which includes prompt scheduling of their exams.

We are wanting to increase our MRI services to accommodate our growing need to five days per week. Over the past three years our volume continues to rise. 2013 the patient count was 401 with an exam count of 480. 2014 patient count 452 with an exam count of 541. For the four and one half months of 2015 the count is 164 with an exam count of 200.

With this increase of days of service we will be able to provide much faster scheduling to our patients and keep them here in our hospital and not go out of town to have their exam where it may be completed at a much closer date. Having to wait a week or longer to have an exam is too long for a diagnosis to a health issue you are having.

Thank you for your consideration of this important need. Any questions please feel free to contact me. 615666-2147 ext 345. [xray@mcgh.net](mailto:xray@mcgh.net).

Sincerely

A handwritten signature in blue ink, which appears to read "Kimberly Winsett". The signature is fluid and cursive.

Kimberly Winsett R.T.(R)(M) Director of Imaging



**MACON COUNTY GENERAL HOSPITAL**  
**P. O. BOX 378**  
**LAFAYETTE, TENNESSEE 37083**

PHONE 615-666-2147

Jim Christoffersen  
General Counsel  
Tennessee Health Services and Development Agency  
Andrew Jackson Bldg., 9th Fl.  
502 Deaderick St.  
Nashville, TN 37243

June 3, 2015

RE: Macon County General Hospital CON for MRI Services

Dear Mr. Christofferson,

This is an addendum to the letter sent to Ms. Melanie Hill regarding the CON for MRI services.

Our original CON was in 1999 and was sufficient for that time. However, as our population has grown and our service lines have expanded, we see a need in the community to expand those services to provide the level of support needed to properly allow for scheduling of patients. Just in the last 5 years we have increased our MRI studies by over 20%.

At the time of the original CON, we were utilizing a mobile MRI unit and were paying on a per study basis with the unit being moved on a regular basis. We have since been able to obtain a unit that is permanently parked at our facility for a flat monthly fee to enable us to provide flexible scheduling throughout the week for our patients. Additionally, we have trained our personnel internally instead of relying on contract technicians to complete the studies on an as needed basis to allow for local studies and as support for our Emergency Department. This allows for better utilization and productivity of the medical imaging personnel. Without this full time capability and since we are the only MRI provider in the county, patients are forced to travel out of county to have their MRI studies completed resulting in additional cost to the patient for transport or for ambulance services when appropriate. This will be accomplished, due to the restructuring of the onsite lease of the unit, at a reduced cost to the hospital of approximately \$7,500/month including personnel cost.

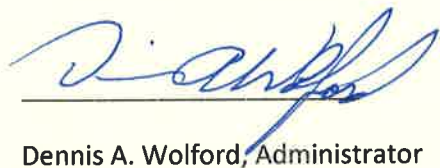
The optimum efficiency of a mobile MRI unit is 480 procedures per year per day of operation. During 2014, we exceeded that amount and are on target to exceed those amounts again in 2015. In addition to exceeding those benchmarks, having a full time service gives us the ability to provide reasonable access and better and more timely patient care for those residents in our service area.

Macon County General Hospital is located in a medically underserved area (MUA) as defined by HRSA and is contracted with all TennCare MCO's, Medicare and Medicare Advantage plans to provide services to their members.

For these reasons and explanations and for the improvement of patient care at a reduced cost, we respectfully request that we be granted a full time service CON for MRI services.

If you have any additional questions, please contact me at (615)666-2147 extension 357 or at [dwolford@mcgh.net](mailto:dwolford@mcgh.net).

Thank you in advance for your prompt attention to this matter.

A handwritten signature in blue ink, appearing to read "D. Wolford", is written over a horizontal line.

Dennis A. Wolford, Administrator

Macon County General Hospital



STATE OF TENNESSEE  
HEALTH FACILITIES COMMISSION  
500 James Robertson Parkway  
Suite 760  
Nashville, Tennessee 37219  
741-2364

August 9, 1999

Charles Self, Vice President of Operations  
Alliance Imaging  
109 Adams Park  
Nashville, TN 37205

RE: Macon County General Hospital - Certificate of Need No. CN9904-030

Dear Mr. Self:

On July 28, 1999 the Tennessee Health Facilities Commission meeting in regular session considered your application for the initiation of mobile MRI services one day per week.

This letter is to advise you that the Commission voted to approve the Certificate of Need for the above referenced project. This decision was reached following consideration of the written report of the Department of Health/Office of Health Policy, the State Health Plan, the general criteria established by Commission Rules, and all evidence presented on the application.

In making their decision, the Commission found that the application meets the following three (3) statutory criteria:

1. Need: geographically the services are needed;
2. Economic Feasibility: the project is financially feasible; and
3. Contribution to the Orderly Development of Health Care: is demonstrated.

In accordance with T.C.A. § 68-11-109 (as amended by Public Chapter 120, Acts of 1993), the applicant or any person who filed directly with the Commission a prior objection to the granting of a Certificate of Need may petition the commission in writing for a hearing. To be timely filed, the petition must be filed within thirty (30) days from the date of the Commission's meeting at which the challenged action was taken. You are encouraged to review T.C.A. § 68-11-109 and the Commission Rule's so that you may fully understand your rights.

Your Certificate of Need will be issued to you within the next thirty (30) days and transmitted under separate letter. Please note that the Certificate of Need has an expiration date on its face, after which time the Certificate is null and void. The expiration date is strictly enforced, and the certification period can only be extended by the Commission upon written application and for good cause shown, as defined by Commission Rules.

There was no opposition to the project.

Mr. Whisnant moved for approval of the project based on: 1) Need - geographically, the services are needed; 2) Economic Feasibility - the project is financially feasible; and 3) contribution to the orderly development of adequate and effective health care is demonstrated. Ms. Weaver seconded the motion. The motion CARRIED [10-0-0]. APPROVED.

AYE: Batey, Cunningham, Ryan, Hamilton, Jones, Mann, Weaver, Whisnant, Warner, Langsdon  
NAY: None

Wellmont Holston Valley Medical Center - (Kingsport, Sullivan County) - Project No. CN9904-032

The acquisition of a MRI scanner to be located in a modular building adjacent to the hospital. Project Cost \$2,209,375.

Greg Neal, Director of Strategic Development for Wellmont Holston Valley Medical Center, and Dr. Tom Pugh, Radiologist, on behalf of the applicant, addressed the Commission. Louis Bremer, Vice President/Hospital Administrator of Wellmont Holston Valley Medical Center was present in support of the applicant.

There was no opposition to the project.

Mr. Whisnant moved for approval of the project based on: 1) Need - the need has been demonstrated; 2) Economic Feasibility - the project is financially feasible; and 3) the project does contribute to the orderly development of adequate and effective health care by representing orderliness with respect to the patients served. Ms. Jones seconded the motion. The motion CARRIED [10-0-0]. APPROVED.

AYE: Batey, Cunningham, Ryan, Hamilton, Jones, Mann, Weaver, Whisnant, Warner, Langsdon  
NAY: None

GENERAL COUNSEL'S REPORTS

Nancy McLean summarized the following requests:

Cumberland Medical Center - CN9602-009A

Modification of Certificate of Need from two days of mobile service to full-time in-house lithotripsy.

WITHDRAWN

Diagnostic Health Corporation - Contested Case Docket No. 25.00-34-0175A

Unpaid administrative costs of \$10,217.60--Counsel recommends sending to Attorney General's office for collection.

Mr. Mann moved to concur with General Counsel's recommendation to refer collection to Attorney General's office. Ms. Batey seconded the motion. The motion CARRIED [9-0-1]. APPROVED.

AYE: Batey, Cunningham, Ryan, Hamilton, Jones, Mann, Weaver, Whisnant, Warner  
NAY: None  
ABSTAINED: Langsdon

Vision America Eye Surgery Center - Project No. CN9704-036A

Extension of expiration of Certificate of Need.

Mr. Mann moved for approval of the request for extension of the expiration date for six (6) months with an expiration date of March 1, 2000. Ms. Warner seconded the motion. The motion CARRIED by unanimous voice vote [10-0-0]. APPROVED.

AYE: Batey, Cunningham, Ryan, Hamilton, Jones, Mann, Weaver, Whisnant, Warner, Langsdon  
NAY: None

Alive Hospice - Project No. CN9612-074A

Extension of expiration of Certificate of Need for an additional six months.

Bob Milburn of Alive Hospice, addressed the Commission on behalf of the applicant.

Ms. Warner nominated Oscar Edmonds for Chairman. Dr. Langsdon seconded. The nomination carried (10-0-1) **APPROVED.**

AYE: Batey, Cunningham, Ryan, Hamilton, Jones, Mann, Weaver, Whisnant, Warner, Langsdon  
NAY: None  
ABSTAINED: Edmonds

Ms. Batey nominated Charlie Mann for Vice-Chairman. Dr. Langsdon seconded. The nomination carried (10-0-1) **APPROVED.**

AYE: Batey, Cunningham, Ryan, Hamilton, Jones, Weaver, Whisnant, Warner, Langsdon, Edmonds  
NAY: None  
ABSTAINED: Mann

Commission recessed for break

#### **DIRECTOR'S ANNOUNCEMENTS**

Ms. Penny welcomed new Commission member Ms. Cheryl Cunningham as a consumer member. Tentative meeting dates of November 17<sup>th</sup> and December 15<sup>th</sup> upon approval of Commission members. Ms. Penny further stated that the training dates will be reset due to the Commission office being relocated.

Mr. Edmonds recognized Ms. Jones and Ms. Warner for their re-appointments to the Commission.

#### **CERTIFICATE OF NEED APPLICATIONS**

*Melanie Hill summarized the following CON applications:*

##### **Methodist Healthcare - South Hospital - (Memphis, Shelby County) - Project No. CN9904-028**

The initiation of cardiac catheterization and open-heart surgery services. Project Cost \$3,570,600.

A.C. Wharton, Esquire, Chairman of the Board for Methodist Hospitals of Memphis; Joe Webb, Administrator of Methodist Healthcare-South Hospital; and, Jesse McGee, Cardiologist, on behalf of the applicant, addressed the Commission. Also, speaking in support were Rev. Bill Adkins of Greater Imani Church, and Robert Holley, President of the White Haven Community Development.

There was no opposition to the project.

Ms. Cunningham moved for approval of the project based on: 1) Need - patient population to be served is in an isolated and underserved community; and the project is supported by the community and physicians; 2) Economic Feasibility - cash reserves are available; and 3) the project does contribute to the orderly development of adequate and effective health care by utilizing existing bed space to serve TennCare and Medicare patients; the facility is easily accessible; and technical support is in place to serve the community. Ms. Hamilton seconded the motion. The motion CARRIED [9-1-0]. **APPROVED.**

AYE: Cunningham, Ryan, Hamilton, Jones, Mann, Weaver, Whisnant, Warner, Langsdon  
NAY: Batey

##### **Maury Regional Hospital - (Columbia, Maury County) - Project No. CN9904-029**

The addition of 45,000 square feet of new space that will house outpatient imaging, outpatient surgery and ambulatory care services. Project Cost \$8,863,000.

**WITHDRAWN**

##### **Macon County General Hospital - (Lafayette, Macon County) - Project No. CN9904-030**

The initiation of mobile MRI services one day per week. Project Cost \$1,003,000.

Dennis Wolford, Administrator, addressed the Commission, on behalf of the applicant. Carolyn King, Chief Financial Officer, and Chuck Self of Alliance Imaging were present in support of the applicant.

STATE OF TENNESSEE  
HEALTH FACILITIES COMMISSION



Certificate of Need CN9904-030A is hereby granted under the provisions of  
T.C.A. §68-11-101, *et seq.*, and the rules and regulations issued thereunder by this Commission

to Macon Hospital, Inc.  
204 Medical Drive  
Lafayette (Macon County), TN 37083

for Macon County General Hospital

This Certificate is issued for the initiation of mobile MRI services one day per week.

on the premises located at 204 Medical Drive  
Lafayette (Macon County), TN 37083

for an estimated project cost of \$1,003,000.00


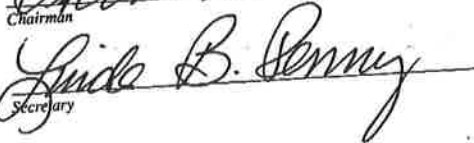
The Expiration Date for this Certificate of Need is

September 1, 2001

or upon completion of the action for which the Certificate of Need was granted, whichever occurs first. After  
the expiration date, this Certificate of Need is null and void.

Date Approved July 28, 1999

Date Issued August 25, 1999

  
Chairman  
  
Secretary